



Without Prejudice

December 15, 2020

Via email

To:

Drew Ciccarelli

1817 Rushland Grove Lane

Johns Island, South Carolina, U.S.A., 29455

Dear Ms. Ciccarelli.

Re:

Uranium Energy Corp. (the “Company”)**Confirmation of the prior termination of your Stock Option in the Company**

We are writing in furtherance of the prior granting to you by the Company; in your then role as a consultant to the Company; on May 9, 2017 of a vesting stock (the “**Stock Option**”) to acquire up to 50,000 common shares of the Company at an exercise price of US\$1.35 per common share; your Stock Option Agreement for such Stock Option grant (the “**Stock Option Agreement**”) being attached hereto for your ease of reference.

In this respect it has been brought to the Company’s attention that you believe that you have some ongoing entitlement to exercise the Stock Option even though your prior consulting services for the Company ceased in 2017 (the “**Cessation**”). Your belief is incorrect. Any previously granted and vested Stock Option held by you in the Company as at the date of your Cessation of services for any reason; other than cause; ceased to exist 90 days from the date of such Cessation.

In support of this position we note sections 5 and 11 of your attached Stock Option Agreement which provide as follows:

“5. **Exercise of Options Following Termination.** Options which have vested in accordance with **Exhibit A** of this Agreement shall terminate, to the extent not previously exercised, on **May 9, 2022** (the “**Expiration Date**”) and may not be exercised after that date. An Option may be exercised following the termination of the Optionee’s Continuous Service (as defined in the Plan) only as described below; provided, however, that the Option shall terminate to the extent not exercised on the earlier of: (i) last day of the period provided above; (ii) the Expiration Date; or (iii) up to ten years from the Grant Date (five years for a Ten Percent Stockholder (as defined in the Plan) if the Option is an Incentive Stock Option), whichever occurs first:

- (a) **if for any reason other than Disability (as defined in the Plan) or death, the Optionee terminates Continuous Service, vested Options held at the date**

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of such termination may be exercised, in whole or in part, at any time within three months after the date of such termination;

- (b) if an Optionee granted an Incentive Stock Option terminates employment but continues as a Consultant (as defined in the Plan), such that there has been no termination of Continuous Service, the Optionee need not exercise an Incentive Stock Option within three months of termination of employment but shall be entitled to exercise within three months of termination of Continuous Service (one year in the event of Disability or death). However, if the Optionee does not exercise within three months of termination of employment, pursuant to Section 422 of the Code, the Option shall not qualify as an Incentive Stock Option;
- (c) if an Optionee becomes Disabled while rendering Continuous Service, or dies while employed by the Company or a Related Entity or within three months thereafter, vested Options then held may be exercised by the Optionee, the Optionee's personal representative, or by the person to whom the Option is transferred by the laws of descent and distribution, in whole or in part, at any time within one year after the termination because of the Disability or death; and
- (d) in the event an Optionee's Continuous Service has been terminated for Cause (as defined in the Plan), he or she shall immediately forfeit all rights to any and all outstanding Options, vested and unvested. The determination that termination was for Cause shall be final and conclusive. In making its determination, the Board shall give the Optionee an opportunity to appear and be heard at a hearing before the full Board and present evidence on the Optionee's behalf.

Unvested Options granted pursuant hereto shall terminate immediately upon termination of the Optionee's employment or contractual relationship with the Company or a Related Entity for any reason whatsoever, including death or Disability unless vesting is accelerated by the Administrator in accordance with the Plan"....

11. **Subject to Plan.** The terms of the Options are subject to the provisions of the Plan, as the same may from time to time be amended, and any inconsistencies between this Agreement and the Plan, as the same may be from time to time amended, shall be governed by the provisions of the Plan, a copy of which has been delivered to the Optionee, and which is available for inspection at the principal offices of the Company.". (emphasis added).

In further support of the Company's position we now attach a copy of the Company's 2016 Stock Option Plan (the "**Plan**") in this matter and under which your prior Stock Option was granted. In this respect we note and confirm that the Plan was previously approved by the Company's shareholders and has been filed by the Company and available for public review on the SEC's website at <http://www.sec.gov>. Please note by reference to the Section 7.2(e)(i)(A) of the attached Plan that:

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“7.2(e)....

(i) Termination of Continuous Services.

(A) Options.

(I) Termination of Continuous Services. If for any reason other than Disability or death, a Grantee terminates Continuous Services with the Company or a Subsidiary, vested Options held at the date of such termination may be exercised, in whole or in part, either (i) at any time within three months after the date of such termination, or (ii) during any lesser period as specified in the Award Agreement or (iii) during any lesser period as may be determined by the Administrator, in its sole and absolute discretion, prior to the date of such termination (but in no event after the earlier of (A) the expiration date of the Option as set forth in the Award Agreement and (B) ten years from the Grant Date (five years for a Ten Percent Stockholder if the Option is an Incentive Stock Option)).

(II) Continuation of Services as Consultant/Advisor. If a Grantee granted an Incentive Stock Option terminates employment but continues as a Consultant (no termination of Continuous Services), the Grantee need not exercise an Incentive Stock Option within either of the termination periods provided for immediately hereinabove but shall be entitled to exercise, in whole or in part, either (i) at any time within three months after the then date of termination of Continuous Services to the Company or a Subsidiary, or (ii) during any lesser period as specified in the Award Agreement or (iii) during any lesser period as may be determined by the Administrator, in its sole and absolute discretion, prior to the date of such then termination of Continuous Services to the Company or the Subsidiary (one year in the event of Disability or death) (but in no event after the earlier of (A) the expiration date of the Option as set forth in the Award Agreement and (B) ten years from the Grant Date (five years for a Ten Percent Stockholder if the Option is an Incentive Stock Option)). However, if the Grantee does not exercise within three months of termination of employment, pursuant to Section 422 of the Code the Option shall not qualify as an Incentive Stock Option....”. (emphasis added).

We trust that each of the foregoing and the attached is clear in this respect.

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Yours truly,

Uranium Energy Corp.

Per:

"Pat Obara"

Pat Obara

Chief Financial Officer

Attachments: Stock Option Agreement and Plan
